

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MEADE COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	
REQUESTING COMMISSION APPROVAL OF)	
A CERTIFICATE OF CONVENIENCE AND)	CASE NO. 91-064
NECESSITY TO CONSTRUCT ADDITIONAL)	
PLANT AND EXTENSIONS AND APPROVAL TO)	
ISSUE SECURITIES FROM THE NATIONAL)	
RURAL UTILITIES COOPERATIVE FINANCE)	
CORPORATION)	

O R D E R

Meade County Rural Electric Cooperative Corporation ("Meade County") filed its application on March 12, 1991 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant, for approval to borrow \$927,835 from the National Rural Utilities Cooperative Corporation ("CFC"), and to execute its notes to secure such loan. These improvements and additions are estimated to cost \$3,541,620 and will be financed by a \$2,100,000 loan from the Rural Electrification Administration ("REA") and a \$927,835¹ loan from CFC. A total of \$541,620 will be financed by Meade County internally generated funds.

¹ The borrowing from CFC includes the purchase of capital term certificates, in an amount equal to 3 percent of the total CFC loan. CFC requires its borrowers to purchase these certificates. The purchases required of Meade County for this loan total \$27,835. The total amount of the REA and CFC loans equals \$3,000,000.

Meade County has advised the Commission that REA and CFC have yet to issue final authorization for the proposed loans. Under these circumstances, the Commission is unable to complete its investigation within the 60 days established by KRS 278.300(2), and good cause exists to defer a decision on the proposed borrowing from CFC. Meade county should notify the Commission when it has received the requisite final loan approvals from REA and CFC. Its request for authorization to borrow from CFC will be considered at that time.

Further, the voltage drop studies provided in Meade County's application do not reflect the actual voltage drop on the system because in some cases the wrong size of wires was used in the studies. Therefore, the Commission will defer ruling on the request for a Certificate of Public Convenience and Necessity until correct voltage drop studies are provided.

IT IS THEREFORE ORDERED that:

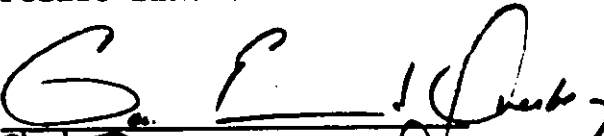
1. Within 15 days from the date of this order, Meade County shall provide two copies of the corrected voltage drop studies reflecting Meade County's system.

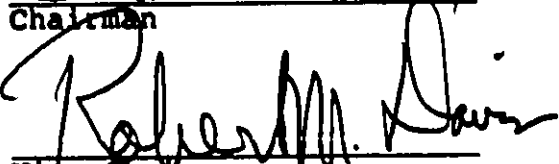
2. Meade County's application for authorization to borrow \$927,835 from CFC and to execute notes to secure such loan is continued generally.


3. Within 10 days of its receipt of final approval, Meade County shall notify the Commission in writing of the final loan approvals received from REA and CFC.

Done at Frankfort, Kentucky, this 10th day of May, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director